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ASSESSMENT OF EXPENDITURE PRIORITIES

and

ALTERNATIVE SOURCES OF REVENUE

of the

EAST BAY REGIONAL PARK DISTRICT

This assessment is based upon an analysis of the document prepared by Ralph Anderson and Associates on behalf of the East Bay Regional Park District for submission to the Commission on Government Reform

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TABLE OF CONTENTS

	<u>Page</u>
Summary.....	1
The Union's Position.....	2
The Role of Local 2428.....	3
List of Services Performed by Union Members.....	3
The Impact of Proposition 13.. ..	6
Adequacy of the District's Response.....	6
Setting New Priorities.....	7
True Cost of Land Acquisition.....	7
True Cost of Service Contracting.....	8
Alternatives to the Current Acquisition Program.....	9
Alternatives to the Current Development Program.....	10
Alternatives to the Current Operation and Maintenance Program.....	11
Comment on Chapter Six of the District Submission to the Commission... ..	12
Comment on Chapter Seven of the District's Submission to the Commission.....	13
Recommendations to the Commission on Government Reform.....	14



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SUMMARY

The report submitted to the commission by the East Bay Regional Park District reflects priorities which were developed under its master plan at a time when large additional revenues were made available to the district for extensive new acquisitions and development of park lands.

These priorities were summarized in the master plan as follows: "The East Bay Regional Park District should adopt as its fundamental mission the acquisition of areas for parkland use and the conservation and improvement of these parklands..."

A report provided to the district a few months later by Arthur Young & Company made the following point in regard to those objectives, "We fully recognize that the Master Plan recently recommended by Overview provides objectives, decision criteria, priorities, and other elements necessary to evaluate, classify, and acquire land in a logical fashion. Additional steps will be necessary to provide a similarly well-defined framework for park development and management."

That report went on to recommend that the objectives be modified so that the District would recognize "that there are two District activities which are of prevailing importance:

- . Planning and acquisition; and
- . Park operation and Maintenance."

Unfortunately that recommendation, and the shift in priorities that are implied by it, never received the full consideration it merited.

The ambitious program of acquisitions which the district undertook was possible because of the availability of supplemental revenues. Today, those revenues are unavailable and no one is in a position to forecast the likelihood of their future availability.

The Union strongly supports the district's efforts to find the additional revenue necessary to complete the acquisition program on which it set out. The Union believes that a realistic approach requires that well planned alternatives be developed in anticipation of the possibility that such revenues will not be forthcoming.

The report submitted by the district to the Commission has failed to outline such alternatives.

THE UNION'S POSITION IS THAT

1. Inadequate consideration has been given to current and future user needs and desires.
2. In the absence of guaranteed revenue for the continuation of the district's acquisition program, that program might be either abandoned until it is once again feasible, or greatly modified to reflect new priorities which are appropriate to the severe revenue limitations of the district.
3. The priorities of the district should shift to development of current holdings, if funds for adequate maintenance and operation of new acquisitions are unavailable.
4. Any additional funding made available to the district should be used first to restore the level of service previously maintained by the district, and second to improve the service level available on the district's current holdings.
5. Additional acquisitions should be made only when these first two priorities have been met and funds are available for both acquisition of new holdings and the development, maintenance and operation of those new holdings. Acquisition without adequate funds for maintenance will only lead to deterioration of both the current and the new holdings.

THE ROLE OF LOCAL 2428
within the
EAST BAY REGIONAL PARK DISTRICT

The membership of Union local 2428 serves in almost every area of the district's operations. The membership is responsible for the majority of work in the maintenance, operation, and non-contracted development activities of the district. The majority of the volunteer Fire Safety staff of the district are union members. The support staff for the administration activities of the district are also union personnel.

The membership has a long history of active concern over the parks and their operation and has always been an advocate of the needs of the user population.

The specific tasks performed by union members are listed below:

clerical services

data processing

custodial duties

marina attendance

accounting

purchasing, storing and distributing of supplies

park reservation

food services

equipment and vehicle maintenance

naturalist services (nature interpretation)

painting

preparation of exhibits and displays

survey crew

engineering services

drafting

resource analysis
park planning
construction inspection
land acquisition
trails: purchase, planning, construction and maintenance
planning, development and maintenance of landscaping
sewage removal and hauling
heavy equipment operation
road maintenance
fire-fighting and emergency rescue services
preparation of maps, brochures and news releases
electrical installation and maintenance
sign production, installation and maintenance
traffic engineering
mine safety
park maintenance and operations supervision
land management
helicopter maintenance
carpentry services
plumbing installation and maintenance
botanic garden operation
landscape architecture
fee collection
maintenance and operation of internal transportation systems
maintenance and operation of:
a) picnic areas
b) aquatic facilities
c) group and family campgrounds

- d) gates and fences
- e) interpretive centers
- f) "Little Farm"
- g) equestrian facilities
- h) athletic facilities
- i) playground
- j) public restrooms
- k) walls and monuments
- l) turf areas
- m) handicapped facilities

One of the main park functions is the collection and removal of garbage and litter; providing information and general assistance to park users; wildlife management; and vegetation management.

This wide-ranging involvement of the Union membership in the affairs and activities of the district has provided the Union with unique and valuable insight into the needs of the district.

Since the passage of Proposition 13 the Union has attempted to assist the district in the difficult task of adjustment. One effort involved the engaging of a C.P.A. to review the finances of the district and suggest a better approach to the use of current district funds. The union presented the results of the C.P.A.'s report to the Finance Committee of the District's Board on August 21 this year.

This report is a further indication of the Union's concern for the welfare of the district and its users.

The Union's position as set out in the body of this report demonstrates the unique knowledge of its membership regarding the realistic needs of the East Bay Regional Park District.

THE IMPACT OF PROPOSITION 13 ON THE DISTRICT AND ITS USERS

"During 1977-78 the District added nearly 4,000 acres to its system..."

"we have...increased fees and charges and cut many heretofore worthwhile activities and functions."

Those quotes are taken from the district's annual report for 1977-78.

The district's submission characterizes those "worthwhile activities and functions" which it has curtailed as the:

- . reduction of district staff by 20%
- . reduction of employee training programs
- . elimination of some capital projects
- . elimination of normal and preventive maintenance projects among others.

THE ADEQUACY OF THE DISTRICT'S RESPONSE

The simple truth is that those cuts that have already been made have begun a process of deterioration in the district's resources. This deterioration is attested to by the increasing level of complaints received by the district with regard to the condition of its parks and the facilities within them.

The district has estimated that the cost reduction efforts that have been made to date will result in savings of \$1,500,000.00. That amount is \$200,000.00 less than the amount the district is planning to spend for acquisitions during the coming fiscal year.

The district's submission to the Commission mentions its surveys of user needs and attitudes and goes on to list only the attitudes of the user population. An examination of the user needs, as reflected in the same survey, shows that most park users are interested in activities which require extensive operation and maintenance of limited land areas within the park system, rather than the addition of more park lands.

The activities which users engage in and value most are:

Picnicking	96% of users
Use of lawn areas	92%
Sightseeing	91%
Barbecuing	85%
Looking at exhibits in nature centers	83%
Hiking	78%
Playing outdoor sports, like softball, football	75%

All of these activities require a high level of maintenance and operating staff. The very areas where the district has concentrated its cost cutting efforts.

It is clear that the district has failed to take user needs and desires as its guide in setting priorities for dealing with revenue limitations. Instead the district has retained the priorities which its master plan set out for it five years ago.

SETTING NEW PRIORITIES FOR THE DISTRICT

The district's submission to the Commission retains the acquisition of land as a priority which exceeds the provision of continuing service levels to the user population. This is clear from the program of acquisition which the report outlines.

This approach on the part of the district is fundamentally flawed by a lack of economic realism. Land acquisition and land maintenance must be balanced.

THE TRUE COST OF LAND ACQUISITION

The issues involved in land acquisition are complex and the following discussion is intended only as a summary.

1. Land cannot be acquired without preliminary expenditures
 - . surveys of suitability must be performed, and
 - . legal costs involved in transfer of title must be met.
2. Acquired land, even when donated, must be supervised, even if not improved or brought into use as park space.
 - . vandalism, fire danger, criminal use, and trash depositing
 - . the cost of prevention of abuse and control of the site can exceed the cost of operation after development.
3. Land development involves large capital outlays
 - . roads, access points, facilities, and land improvement are almost always necessary
4. Land used as park space must be maintained and facilities must be operated to control access and use.
5. Liability insurance must be purchased for all new acquisitions.

Continuation of land acquisition by the district will lead to increased demand on an already inadequate revenue base. Even the limited continuation of the acquisition program described by the district in its submission, will require the further restriction of operation and maintenance of activities for the current park system, unless the state provides additional revenues.

THE TRUE COST OF SERVICE CONTRACTING

This section is based upon the findings published in "Public Services by Private Contract," January 1978; a document prepared by the San Francisco Planning and Urban Research Association and S.P.U.R., for the City and County of San Francisco.

In some cases, the disadvantages of contracting a service outweigh the advantages...In other cases...service contracting offers opportunities to increase the quality or reduce the cost of...services.

The study shows that contracting for general park maintenance is not likely to be successful.

Maintenance of Parks by private companies has not proven successful in many jurisdictions because of the problems in locating qualified contractors, in stimulating competition among maintenance companies, and in drafting specifications which are both comprehensive and enforceable.

Two other problems which plague efforts at contracting is that the total cost of the contract work is not usually stated in the contract bid. There are additional contract administration costs which are often quite high. And there is no guarantee that quality work will be done.

In most cases the bottom line of the contract is less than the City's estimate. But, before the contract is ended, the City has more than paid the difference on inspection, haggling to get performance, and in some cases terminating contracts and taking over before areas are complete losses. In my belief, even with the better performances, there is a general and gradual deterioration in plant growth and health because at best, the contractor's philosophy is to maintain and not improve, possibly with the motivation to maximize profits in the short run.

The above quotes from the S.P.U.R. study clearly summarizes the major problems in proper evaluation of the choice between contracting for services and having them performed by park staff.

ALTERNATIVES TO THE CURRENT ACQUISITION PROGRAM

The district currently plans to spend all funds which are legally committed to acquisition for that purpose. In addition it plans to spend \$4,100,000.00 out of its current surplus for acquisition and development.

ALTERNATIVE ONE: END ALL ACQUISITIONS UNTIL SUFFICIENT FUNDS ARE AVAILABLE

The District could seek permission from the state to convert the remaining supplemental monies to general fund use.

ALTERNATIVE TWO: MOVE FROM LAND ACQUISITION TO DEVELOPMENT CONTROL

The District could seek permission from the state to use the remaining supplemental funds for the purchase of DEVELOPMENT RIGHTS on desired property rather than for outright purchase of the property it wants.

This approach offers several advantages:

A. The future price of the land would remain low because it could not be developed further.

B. The land would remain on the tax roles and would not become a burden to the EBRPD in terms of the cost of maintenance in a land bank.

C. EBRPD could purchase control over far more of the lands it hopes eventually to acquire than it can currently protect through direct purchases.

D. The funds used to buy development rights would not automatically entail additional expenditures for maintenance, development, and operation.

This savings would eliminate additional strain on the general funds.

ALTERNATIVE THREE: USE ONLY LEGALLY COMMITTED FUNDS FOR ACQUISITION

The district could return the surplus funds currently committed to acquisition to its general funds and use them to fund current operation and maintenance.

ALTERNATIVES TO THE CURRENT DEVELOPMENT PROGRAM

The district currently contracts out much of the development work on its lands. This practice is a result of both state law and the recommendations of consultants hired by the district. The state law which encourages contracting requires the district to seek outside bids for all work costing more than \$8,000. This figure was set in the early seventies and has never been adjusted since for inflation. Its current equivalent for construction work is close to \$10,000.00. The recommendations which have encouraged this policy, asked the district to review on a rational basis the alternatives of inhouse construction versus outside contractors. The decision procedure should now be reviewed in the light of changed revenues and the cost of contract administration should be considered in making such cost comparisons.

ALTERNATIVE ONE: RAISE THE LIMIT ON DISTRICT EXPENDITURES FOR CAPITAL DEVELOPMENT TO REFLECT INFLATION BY CHANGING STATE LAW

ALTERNATIVE TWO: IMPROVE THE COST BENEFIT ANALYSIS USED TO COMPARE THE COST OF CONTRACTING WITH THE COST OF DISTRICT WORK, BY ADDING IN THE COST OF CONTRACT ADMINISTRATION AND CONSIDERING THE QUALITY OF THE WORK.

ALTERNATIVES TO THE CURRENT OPERATION AND MAINTENANCE POLICY

The district is currently curtailing both operating expenses and maintenance expenses in a random fashion. The staff cutbacks have largely been the result of a failure to replace staff who have left the district's employment rather than positive effort on the part of the district to plan service reductions to reflect new priorities in service and economies in operation.

ALTERNATIVE ONE: EXAMINE THE COST EFFECTIVENESS OF THE DISTRICT'S DECENTRALIZATION EFFORTS

- . These efforts are leading to higher capital outlays for equipment without any compensating increase in staffing to operate the increased equipment load maintained by the park.

ALTERNATIVE TWO: EXAMINE THE COST SAVINGS POSSIBILITIES IN THE AREA OF POLICE SERVICES

- . The cost effectiveness of the helicopter patrol should be examined and if the patrol is eliminated, the helicopters would still be available for emergency services, the purpose for which they were originally acquired.
- . Savings could result from contracting police services from local agencies in certain outlying areas. This might result in faster response time in those areas.

COMMENT ON CHAPTER SIX
OF EBRPD'S SUBMISSION TO THE COMMITTEE

Page 47: Reduce hours of or days of operation.

The savings are largely illusory. Official closure of a park does not cut back on use. It merely permits opportunities for vandalism and other criminal activities. Maintenance costs remain unchanged since the ground cover does not grow any slower; and the cost of damage repair and liability insurance increases dramatically.

Page 47: Close swimming areas.

Swimming areas are one of the highest used areas of the park district. Unsupervised use of the swimming areas would result in extreme hazards for park users as well as the park's facilities. Many of the district's swimming areas are beaches or lakes which are difficult to close off to the public. The district already has difficulty closing off swimming areas under normal operating conditions.

Page 47: Close environmental interpretive centers.

These centers are the heart of the naturalist program. The naturalists provide, for many urban school children, the first experience of parks or wilderness areas. The naturalists are often the only members of the district staff whom the public meets and in their absence many park users would have no personal contact with the people who operate the district. The naturalists provide public education which helps prevent inadvertent vandalism and thereby lowers maintenance costs. Naturalists also assist in park planning and resource analysis.

Page 47: Further reduce staff.

On page 58, line 2 of an earlier draft of the Ralph Anderson report the following quote appears:

The district has already reduced its work force by 20%, and further cuts could prove to be a false economy by contributing to the overall

deterioration of the District's basic resource--parks and park facilities.

The Union strongly opposes this alternative. The net result of any further reductions in staff will be an increase in the rate of deterioration which has already been brought about by the current reductions.

Page 47: Reduce salaries and benefits of current employees.

The increase in workload due to the hiring freeze, to say nothing of an annual inflation rate of 8 - 10%, would make this alternative a severe hardship to dedicated district employees. Reduction in wage rates is unacceptable to the union; if it becomes absolutely necessary only a reduction in working hours would be acceptable. The survival of the parks depends upon the skill and dedication of all of its staff. Reductions in wage rates will tend to drive out the most experienced staff members and leave the park system in the hands of newer and less experienced employees who would be unable to provide the quality of service upon which the district depends.

COMMENT ON CHAPTER SEVEN

Page 57: Reduced level of service.

The reduction in service currently provided is detrimental to the park system because it is already leading to the deterioration of facilities, equipment, and grounds. It is also impairing the attractiveness of the parks to users.

Page 58: Completion of the master plan.

The completion of the master plan is important, but it must not proceed at the expense of service to the user population. Twenty percent of all additions to park land have been made through donations and additional donations can be expected in the future. So even in the absence of acquisition income some growth in the size of the system can be expected.

Page 58: Seek additional economies in organization and staffing.

While additional economies must be sought, they should be examined in regard to their impact on the park lands and the level of use of those lands. Immediate savings at the expense of irreversible damage to the system or the development of high levels of damage to it are unwise. All economies should be based upon a careful plan of action aimed at minimizing both the deterioration of the parks and the impact upon the majority of users.

Page 59: Assure continued receipt of property tax revenue.

We strongly support this recommendation.

Page 59: Provide additional revenue.

We support this recommendation.

Page 62: State Park bonds.

We support this recommendation.

Page 63: Continue Roberti urban open space...funds and make...available for operating and maintenance purposes.

We support this recommendation.

Page 63: Coastal energy impact program.

We support this recommendation.

RECOMMENDATIONS TO THE COMMISSION ON GOVERNMENT REFORM

1. If possible, restore the district's financial base to permit completion of the master plan.
2. If the financial base cannot be restored, end the legal restrictions on the use of the remaining supplemental land funds.
3. Direct that the funds of the district may only be used for acquisition when the level of maintenance and operation which existed before Proposition 13 has been restored.

4. Require that all acquisitions be made only after it has been ascertained that the life cycle costs of the acquisition can be met by the district.

5. Require that user needs and desires be the basis for setting priorities in all reductions of service.

6. Require that the cost analysis used to compare the price of inhouse work to contract work be improved by adding in the cost of contract administration and considering the quality of the work.

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